

1513-0039

26 U.S.C.

Sec. 5207. - Records and reports

(a) Records of distilled spirits plant proprietors

Every distilled spirits plant proprietor shall keep records in such form and manner as the Secretary shall by regulations prescribe of:

(1) The following production activities -

- (A)** the receipt of materials intended for use in the production of distilled spirits, and the use thereof,
- (B)** the receipt and use of distilled spirits received for redistillation, and
- (C)** the kind and quantity of distilled spirits produced.

(2) The following storage activities -

- (A)** the kind and quantity of distilled spirits, wines, and alcoholic ingredients entered into storage,
- (B)** the kind and quantity of distilled spirits, wines, and alcoholic ingredients removed, and the purpose for which removed, and
- (C)** the kind and quantity of distilled spirits returned to storage.

(3) The following denaturation activities -

- (A)** the kind and quantity of denaturants received and used or otherwise disposed of,
- (B)** the kind and quantity of distilled spirits denatured, and
- (C)** the kind and quantity of denatured distilled spirits removed.

(4) The following processing activities -

- (A)** all distilled spirits, wines, and alcoholic ingredients received or transferred,
- (B)** the kind and quantity of distilled spirits packaged or bottled, and

(C) the kind and quantity of distilled spirits removed from his premises.

(5) Such additional information with respect to activities described in paragraphs (1), (2), (3), and (4), and with respect to other activities, as may by regulations be required.

(b) Reports

Every person required to keep records under subsection (a) shall render such reports covering his operations, at such times and in such form and manner and containing such information, as the Secretary shall by regulations prescribe.

(c) Preservation and inspection

The records required by subsection (a) and a copy of each report required by subsection (b) shall be available for inspection by any internal revenue officer during business hours, and shall be preserved by the person required to keep such records and reports for such period as the Secretary shall by regulations prescribe.

(d) Penalty

For penalty and forfeiture for refusal or neglect to keep records required under this section, or for false entries therein, see sections 5603 and 5615(5)

Sec. 5171. Establishment

(a) Certain operations may be conducted only on bonded premises

Except as otherwise provided by law, operations as a distiller, warehouseman, or processor may be conducted only on the bonded premises of a distilled spirits plant by a person who is qualified under this subchapter.

(b) Establishment of distilled spirits plant

A distilled spirits plant may be established only by a person who intends to conduct at such plant operations as a distiller, as a warehouseman, or as both.

(c) Registration

(1) In general

Each person shall, before commencing operations at a distilled spirits plant (and at such other times as the Secretary may by regulations prescribe), make application to the Secretary for, and receive notice of, the registration of such plant.

(2) Application required where new operations are added

No operation in addition to those set forth in the application made pursuant to paragraph (1) may be conducted at a distilled spirits plant until the person has made application to the Secretary for, and received notice of, the registration of such additional operation.

(3) Secretary may establish minimum capacity and level of activity requirements

The Secretary may by regulations prescribe for each type of operation minimum capacity and level of activity requirements for qualifying premises as a distilled spirits plant.

(4) Applicant must comply with law and regulations

No plant (or additional operation) shall be registered under this section until the applicant has complied with the requirements of law and regulations in relation to the qualification of such plant (or additional operation).

(d) Permits

(1) Requirements

Each person required to file an application for registration under subsection (c) whose distilled spirits operations (or any part thereof) are not required to be covered by a basic permit under the Federal Alcohol Administration Act (27 U.S.C. secs. 203 and 204) shall, before commencing the operations (or part thereof) not so covered, apply for and obtain a permit under this subsection from the Secretary to engage in such operations (or part thereof). Subsections (b), (c), (d), (e), (f), (g), and (h) of section 5271 are hereby made applicable to persons filing applications and permits required by or issued under this subsection.

(2) Exceptions for agencies of a State or political

subdivisions

Paragraph (1) shall not apply to any agency of a State or political subdivision thereof or to any officer or employee of any such agency, and no such agency, officer, or employee shall be required to obtain a permit thereunder.

(e) Cross references

(1) For penalty for failure of a distiller or processor to file application for registration as required by this section, see section 5601(a)(2).

(2) For penalty for the filing of a false application by a distiller, warehouseman, or processor of distilled spirits, see section 5601(a)(3).

(Added Pub. L. 85-859, title II, Sec. 201, Sept. 2, 1958, 72 Stat. 1349; amended Pub. L. 94-455, title XIX, Secs. 1905(a)(13), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1820, 1834; Pub. L. 96-39, title VIII, Sec. 805(a), July 26, 1979, 93 Stat. 274.)

Sec. 5005. Persons liable for tax

(c) Proprietors of distilled spirits plants

(1) Bonded storage

Every person operating bonded premises of a distilled spirits plant shall be liable for the internal revenue tax on all distilled spirits while the distilled spirits are stored on such premises, and on all distilled spirits which are in transit to such premises (from the time of removal from the transferor's bonded premises) pursuant to application made by him. Such liability for the tax on distilled spirits shall continue until the distilled spirits are transferred or withdrawn from bonded premises as authorized by law, or until such liability for tax is relieved by reason of the provisions of section 5008(a). Nothing in this paragraph shall relieve any person from any liability imposed by subsection (a) or (b).

(2) Transfers in bond

When distilled spirits are transferred in bond in accordance with the provisions of section 5212, persons liable for the tax on

such spirits under subsection (a) or (b), or under any similar prior provisions of internal revenue law, shall be relieved of such liability, if proprietors of transferring and receiving premises are dependent of each other and neither has a proprietary interest, directly or indirectly, in the business of the other, and all persons liable for the tax under subsection (a) or (b), or under any similar prior provisions of internal revenue law, have divested themselves of all interest in the spirits so transferred. Such relief from liability shall be effective from the time of removal from the transferor's bonded premises, or from the time of divestment of interest, whichever is later.

(Added Pub. L. 85-859, title II, Sec. 201, Sept. 2, 1958, 72 Stat. 1318; amended Pub. L. 94-455, title XIX, Sec. 1905(a)(1), Oct. 4, 1976, 90 Stat. 1818; Pub. L. 95-176, Sec. 4(b), (d), Nov. 14, 1977, 91 Stat. 1366; Pub. L. 96-39, title VIII, Sec. 807(a)(3), July 26, 1979, 93 Stat. 280; Pub. L. 96-223, title II, Sec. 232(e)(2)(D), Apr. 2, 1980, 94 Stat. 280; Pub. L. 98-369, div. A, title IV, Sec. 455(b), July 18, 1984, 98 Stat. 823; Pub. L. 103-465, title I, Sec. 136(c)(2), Dec. 8, 1994, 108 Stat. 4841.)

27 CFR

§ 19.320 Identification of spirits.

At the time of production gauge, containers of spirits shall be identified by the proprietor in accordance with subpart R of this part. When the proprietor desires to enter spirits into bonded storage for subsequent packaging in wooden packages, he may identify such spirits with the specific designation to which they would be entitled if drawn into wooden packages, followed by the word "Designate," for example, "Bourbon Whisky Designate."

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended, 1360, as amended (26 U.S.C. 5201, 5206))

§ 19.342 Receipt and storage of bulk spirits and wines.

(a) *Deposit.* All spirits entered for deposit in the storage account after production as provided in subpart J shall be deposited on the bonded premises designated in the entry for deposit. Spirits withdrawn from customs custody without payment of tax under the provisions of this part shall be received on the bonded premises to which so withdrawn and (unless to be immediately redistilled) shall be deposited on such premises. Spirits transferred in bond as provided in subpart P shall be deposited on the bonded premises designated on the transfer record.

(b) *Tanks.* If spirits or wines are being deposited in a partially filled tank in storage on bonded premises, simultaneous withdrawals may not be made therefrom unless the flow of spirits or wines into and out of the tank is being measured by meters or other devices approved by the appropriate TTB officer which permit a determination of the quantity being deposited and the quantity being removed. Proprietors shall maintain records of spirits or wines in tanks in accordance with subpart W of this part.

(c) *Storage.* Spirits or wines may be held in the storage account in tanks or portable bulk containers on the bonded premises. When used for such storage, containers shall be kept so that they can be readily inspected or inventoried by TTB officers.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended, 1362, as amended, 1366, as amended, 1398, as amended (26 U.S.C. 5201, 5211, 5212, 5232, 5601); sec. 806(a), Pub. L. 96-39, 93 Stat. 279 (26 U.S.C. 5202); sec. 807(a), Pub. L. 96-39, 93 Stat. 286 (26 U.S.C. 5231))

§ 19.344 Filling of packages from tanks.

Spirits or wines may be drawn into packages from storage tanks on bonded premises. The spirits or wines in the tank shall be gauged prior to filling of packages, and when only a portion of the contents of the tank is packaged, the spirits or wines remaining in the tank shall be again gauged and such gauges shall be recorded by the proprietor in records required by §§ 19.740 and 19.768. The provisions of § 19.319 regarding the filling of packages and the taking of production gauges of packages shall be applicable to the filling and gauging of packages of spirits under this section.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

§ 19.347 Packages dumped for mingling.

When dumping packages of spirits of less than 190 degrees of proof for mingling in the storage account, the proprietor shall record such mingling on the tank record prescribed in § 19.742 covering such tank. When packages of spirits of 190 degrees or more of proof are to be mingled, the proprietor shall record such mingling in the tank summary record prescribed in § 19.743 for all tanks of spirits of 190 degrees or more of proof. Each package of spirits to be mingled under this subpart shall be examined by the proprietor, and if any package bears evidence of loss due to theft or unauthorized voluntary destruction, such package shall not be dumped until the appropriate TTB officer has been notified.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

§ 19.349 Mingled spirits or wines held in tanks.

When spirits of less than 190 degrees of proof or wines are mingled in a tank, the proprietor shall gauge the spirits or wines in the tank and record the mingling gauge on the tank record prescribed in § 19.742.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

§ 19.483 Recording gauge.

(a) When packages of spirits are received from customs custody in the storage account, the proprietor shall use the last official gauge to compute and record on the deposit records prescribed in §19.740 for each entry the average content of the packages being received which shall also provide the basis for entries on the package summary records prescribed in §19.741. If the last official gauge

indicates a substantial variation in the contents of the packages, the proprietor shall group the packages into lots according to their approximate contents, and assign a separate lot identification to each group of packages, based on the date the packages were received on bonded premises.

(b) When packages of spirits are received from customs custody in the processing account, the proprietor shall determine the proof gallons of spirits received in each package. The determination may be made by use of the last official gauge.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1360, as amended (26 U.S.C. 5232))

§ 19.562 Determination of losses in bond.

(a) General.

(1) Losses (whether by theft, unauthorized voluntary destruction, or otherwise) of spirits, denatured spirits, and wines shall be determined by the proprietor:

- (i) Each time a tank or bulk conveyance is emptied;
- (ii) On the basis of required physical inventories; and
- (iii) Upon discovery of accidents or unusual variations in gauges.

(2) When it appears that any container in bond has sustained a loss resulting from theft or unauthorized voluntary destruction, such loss shall be taxpaid or the container shall be segregated (as necessary) with the loss reported promptly to the appropriate TTB officer.

(3) In any instance in which spirits, denatured spirits or wines are lost or destroyed in bond, whether by theft, unauthorized voluntary destruction, or otherwise, the appropriate TTB officer may require the proprietor or other person liable for the tax to file a claim for relief from the tax in accordance with §19.41.

(b) Missing packages.

Whenever any packages of spirits, denatured spirits, or wine recorded as deposited on bonded premises cannot be located or otherwise accounted for, the proprietor shall promptly report such fact to the appropriate TTB officer, and the proprietor shall either pay the tax on the lost spirits, denatured spirits, or wines, or file a claim with respect thereto under the provisions of §19.41.

(c) Tampering, material deficiency, or loss of proof.

When it is found that spirits, denatured spirits, or wines in a container have been tampered with, or when a material deficiency in the recorded quantity of such

products is found without evidence of loss by leakage or casualty, or when there is a loss of proof of such products not attributable to variations in gauging, the proprietor shall segregate the container (as necessary) and shall promptly report such fact to the appropriate TTB officer, unless the proprietor acknowledges liability for the tax on the loss and elects to pay the tax on the quantity lost.

(d) Excessive in-transit losses.

Losses of spirits, denatured spirits, or wines received in bond in bulk conveyances which exceed one percent of the quantity of a product consigned shall be considered as excessive in-transit losses. However, in the case of transcontinental transfers in bond of wine, only losses in excess of two percent of the quantity of wine consigned shall be considered as excessive in-transit losses. The proprietor shall promptly report all such excessive in-transit losses to the appropriate TTB officer.

(e) Storage account loss limitation.

When the quantity of spirits lost from all the storage tanks and bulk conveyances exceeds 1½ percent of the total quantity contained in the tanks and bulk conveyances during the calendar quarter, the loss shall be taxpaid unless a claim for remission is filed in accordance with the provisions of §19.41 and is allowed by the appropriate TTB officer.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1323, as amended, 1381, as amended (26 U.S.C. 5008, 5370))

§ 19.721 Records.

(a) In General.

(1) The records to be maintained by proprietors shall include:

- (i) All individual transaction forms, records, and summaries specifically required by this part;
- (ii) All supplemental, auxiliary, and source data utilized in the compilation of required forms, records, and summaries, and for preparation of reports, returns, and claims; and
- (iii) Copies of notices, reports, returns, and approved applications and other documents relating to operations and transactions.

(2) The records required by this part may consist of the proprietor's commercial documents, rather than records prepared expressly to meet the requirements of this part, if such documents contain all the details required by this part to be

recorded, are consistent with the general requirements of clarity and accuracy, and do not result in difficulty in their examination.

(b) Accounts.

The records required by this part to be maintained by proprietors shall be arranged into three primary operational accounts:

- (1) Production,
- (2) Storage, and
- (3) Processing.

Records shall indicate receipts, movements between accounts, transfers in bond, or withdrawals of spirits, denatured spirits, articles, or wines.

(c) Exceptions.

The term "records" as used in this subpart does not include copies of qualifying documents required under subpart G, or of bonds required under Subpart H of this part.

(d) Special provisions.

See 27 CFR 70.22 for information with respect to TTB examination of financial records and books of account.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

§ 19.722 Conversion between metric and U.S. units.

When liters are converted to wine gallons, the quantity in liters shall be multiplied by 0.264172 to determine the equivalent quantity in wine gallons. Cases containing the same quantity of spirits of the same proof in metric bottles may be converted to U.S. units by multiplying the liters in one case by the number of cases to be converted, as follows: (a) If the conversion from liters to U.S. units is made before multiplying by the number of cases, the quantity in U.S. units shall be rounded to the sixth decimal; or (b) If the conversion is made after multiplying by the number of cases, the quantity in U.S. units shall be rounded to the nearest hundredth. Once converted to wine gallons, the proof gallons of spirits in cases shall be determined as provided in 27 CFR 30.52.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

§ 19.723 Maintenance and preservation of records.

(a) Place of maintenance.

Records required by this part shall be prepared and kept by the proprietor at the plant where the operation or transaction occurs and shall be available for inspection by any TTB officer during business hours.

(b) Reproduction of original records.

(1) Whenever any record, because of its condition, becomes unsuitable for its intended or continued use, the proprietor shall reproduce such record, by a process approved by the appropriate TTB officer under §19.725 for reproducing records, and such reproduction shall be treated and considered for all purposes as though it were the original record.

(2) All provisions of law applicable to the original record shall be applicable to such reproductions.

(c) Retention of records.

(1) Records required by this part shall be preserved for a period of not less than three years from the date thereof or the date of the last entry required to be made thereon, whichever is later. However, the appropriate TTB officer may require records to be kept for an additional period not exceeding three years in any case where such retention is deemed necessary or advisable for the protection of the revenue.

(2) The period for retention of records prescribed in paragraph (c)(1) of this section shall not apply to copies of outstanding approved formulas or to copies of formulas which form the basis for claims for credit or refund of taxes on spirits returned to bonded premises. A copy of any such formula shall be kept by the proprietor at the plant where spirits are processed subject to the formula or at the plant where such spirits are received.

(d) Data processing.

(1) Notwithstanding any other provision of this section, record data maintained on data processing equipment may be kept at a location other than the plant premises if the original transaction (source) records required by §§19.736-19.779 are kept available for inspection at the plant premises.

(2) Data which has been accumulated on cards, tapes, discs, or other accepted record media must be retrievable within five business days.

(3) The applicable data processing program shall be made available for examination if requested by an TTB officer.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

§ 19.724 Modified forms.

(a) *Application.* Proprietors desiring to modify prescribed forms shall submit an application to the appropriate TTB officer. The application shall be accompanied by:

- (1) A copy of each proposed form with typical entries; and
- (2) A statement showing the need for use of the modified forms. Modified forms shall not be used until approved by the appropriate TTB officer.

(b) *Restrictions.* The use of modified forms shall not relieve a proprietor from any requirement of this part. The appropriate TTB officer may require a proprietor to immediately discontinue the use of any modified form when such use is found to pose administrative problems.

(Sec. 807, Pub. L. 96–39, 93 Stat. 284 (26 U.S.C. 5207))

§ 19.725 Photographic copies of records.

(a) *Application.*

Proprietors who desire to record, copy or reproduce records, required by this part, by any process which accurately reproduces or forms a durable medium for so reproducing the original of such records, shall apply to the appropriate TTB officer for permission to do so, describing:

- (1) The records to be reproduced,
- (2) The reproduction process to be employed,
- (3) The manner in which the reproductions are to be preserved, and
- (4) The provisions to be made for examining, viewing, and using such reproductions.

(b) *Approval.*

The appropriate TTB officer shall not approve any application unless the manner of preservation of the reproductions and the provisions for examining, viewing, and using such reproductions are satisfactory.

(c) *Conditions.*

Whenever records are reproduced under this section, the reproduced records shall be preserved in conveniently accessible files, and provisions shall be made for examining, viewing, and using the reproduced record the same as if it were the original record, and it shall be treated and considered for all purposes as

though it were the original record. All provisions of law and regulations applicable to the original shall be applicable to the reproduced record. As used in this section, "original record" shall mean the record required by this part to be maintained or preserved by the proprietor, even though it may be an executed duplicate or other copy of the document.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1395, as amended, (26 U.S.C 5555))

§ 19.726 Authorized abbreviations to identify spirits.

The following abbreviation may be used, either alone or in conjunction with descriptive words, to identify the kind of spirits on forms or records:

<u>Kinds of spirits</u>	<u>Abbreviations</u>
Alcohol	A
Brandy	BR
Bourbon Whisky	BW
Canadian Whisky	CNW
Completely Denatured Alcohol	CDA
Corn Whisky	CW
Grain Spirits	GS
Irish Whisky	IW
Light Whisky	LW
Malt Whisky	MW
Neutral Spirits	NS
Neutral Spirits Grain	NSG
Rye Whisky	RW
Scotch Whisky	SW
Specially Denatured Alcohol	SDA
Special Denatured Rum	SDR
Tequila	TEQ
Vodka	V
Whisky	W

(Sec. 201, Pub. L. 85-859, 72 Stat. 1360, as amended (26 U.S.C. 5206))

Records

§ 19.731 General.

(a) Entries.

(1) Each entry required by this part to be made in daily records shall be made on the day on which the operation or transaction occurs.

(2) When the proprietor prepares supplemental or auxiliary records concurrent with the individual operation or transaction, and these records contain all the required information with respect to the operation or transaction, entries in daily records may be deferred not later than the close of business the third business day succeeding the day on which the operation or transaction occurs.

(b) Content.

(1) All entries in the daily records required by this subpart shall show the date of the operation or transaction.

(2) Daily records shall accurately and clearly reflect the details of each operation or transaction and, as applicable, contain all data necessary to enable:

(i) Identification and proper marking and labeling of spirits, denatured spirits, or wines;

(ii) Proprietors to prepare summaries, reports, and returns required by this part; and

(iii) TTB officers to:

(A) Verify and trace the quantity and movement of materials, spirits, denatured spirits, wines, or alcoholic flavoring materials involved in each transaction or operation;

(B) Verify tax determinations and claims; and

(C) Ascertain whether there has been compliance with law and regulations.

(c) Format.

(1) Proprietor's copies of prescribed forms which bear all required details shall be utilized as daily records.

(2) In instances when a form is not prescribed, the records required by this subpart shall be those commercial records used by the proprietor in his accounting system and shall bear all required details.

(3) Daily records required by this part shall be so maintained that they clearly and accurately reflect all mandatory information. Where the format or arrangement of the daily records is such that the information is not clearly or accurately reflected, the appropriate TTB officer may require a format or arrangement which will clearly and accurately reflect the information.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

§ 19.732 Details of daily records.

The daily records required by this part shall conform to the following requirements:

- (a) Spirits shall be recorded by kind and by quantity in proof gallons, except as provided in §19.751.
- b) Denatured spirits shall be recorded by formula number and by quantity in wine gallons.
- (c) Distilling materials produced on the premises shall be recorded by kind and by quantity in wine gallons. Chemical byproducts containing spirits, articles, spirits residues, and distilling materials received on the premises shall be recorded by kind, by percent of alcohol by volume, and by quantity in wine gallons. However, when nonliquid distilling materials which are not susceptible to such quantitative determination are received, the quantity of such materials may be determined by weight and shall be so recorded, and the alcohol content need not be recorded. When it can be shown that it is impractical to weigh or otherwise determine the exact quantity of such nonliquid materials, the proprietor may estimate the weight or volume of the material.
- (d) Wines shall be recorded by kind, by quantity in wine gallons, and by percent of alcohol by volume.
- (e) Alcoholic flavoring materials shall be recorded by kind, formula number (if any) and by quantity in proof gallons.
- (f) Containers (other than those bearing lot identification numbers) or cases involved in each operation or transaction shall be recorded by type, serial number, and the number of containers (including identifying marks on bulk conveyances), or cases. However, spirits withdrawn in cases may be recorded without the serial numbers of the cases, unless the appropriate TTB officer requires such recording. Package identification numbers, number of packages, and proof gallons per package shall be recorded on deposit record in the storage account reflecting production gauges or filling of packages from tanks, however, only the lot identification, number of packages, and proof gallons per package need be shown for transactions in packages of spirits unless package identification numbers are specifically required by this part.
- (g) Materials intended for use in the production of spirits shall be recorded by kind and by quantity, recording liquids in gallons and other materials in pounds, and giving the sugar content for molasses.
- (h) The name and address of the consignee or consignor, and if any, the plant number or industrial use permit number of such person, shall be recorded for

each receipt or removal of materials, spirits, denatured spirits, articles, spirits residues, and wine.

(i) The serial number of the tank used shall be recorded for each operation or transaction.

(j) The rate of duty paid on imported spirits shall be shown on the transaction forms or records.

(k) Records shall identify imported spirits, spirits from Puerto Rico, and spirits from the Virgin Islands, or the records shall show that a distilled spirits product contains such spirits.

(l) Records shall identify spirits that are to be used exclusively for fuel use.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

§ 19.740 Daily storage records.

(a) General.

Proprietors shall maintain daily records in the storage account which shall show for each kind of spirits or wine, as applicable:

- (1) Spirits or wines received for deposit in storage;
- (2) Spirits mingled;
- (3) Spirits in tanks;
- (4) Spirits or wines filled into packages from tanks and retained for storage;
- (5) Spirits of less than 190 degrees of proof or wines transferred from one tank to another;
- (6) Spirits returned to bond;
- (7) Spirits or wines voluntarily destroyed;
- (8) Spirits or wines lost during storage;
- (9) The transfer of spirits or wine from one package to another;
- (10) The addition of oak chips to spirits and the addition of caramel to brandy or rum; and
- (11) The disposition of spirits or wines.

(b) Records covering deposits.

The proprietor's copies of gauge records, transfer records, or tank records of wines or spirits of less than 190 degrees of proof covering: deposit in the storage account of spirits received from the production account, from customs custody, or by return to bond under subpart U of this part, or of wines or spirits from other bonded premises; packages of spirits or wines filled from tanks and retained in

the storage account after mingling; and wines or spirits of less than 190 degrees of proof transferred from one tank to another, shall be utilized by the proprietor to record wines or spirits deposited in the storage account. The proprietor shall enter the date of deposit of the spirits in storage on the record. Files of deposit records shall be maintained for spirits in packages and such files shall be arranged by producers (by warehouseman in the case of blended rums or brandies and for spirits of 190 degrees or more of proof, by the warehouseman who received the spirits from customs custody in the case of imported spirits, and by producer in the Virgin Islands or Puerto Rico in the case of Virgin Islands or Puerto Rican spirits), in chronological order according to the date of deposit in the storage account, and, when possible, in sequence by lot identification for packages. (For the purpose of records under this section spirits produced under trade names shall be treated as being produced under the real name of the proprietor [producer].) Also, files of deposit records shall be maintained, in the manner prescribed by 19.742, for wines and for spirits of less than 190 degrees of proof in tanks in the storage account with a separate file for each tank of wines or spirits. In the case of spirits of 190 degrees or more of proof deposited in tanks in the storage account, the proprietor shall maintain a separate consolidated file of deposit records for all tanks, separately as to gin, vodka, and other spirits as applicable, of all such domestic spirits; all such imported spirits duty paid at the beverage rate; all such imported spirits duty paid at the nonbeverage rate; all such Virgin Islands spirits; and all such Puerto Rican spirits. Such files shall be arranged chronologically by date of deposit in the warehouse.

(c) Records covering withdrawals.

When wines or spirits other than spirits of 190 degrees or more of proof in tanks in the storage account, are withdrawn from the storage account the proprietor shall note on the record of deposit, the date and disposition of the spirits so that the files shall currently reflect the spirits remaining in the storage account. When spirits of 190 degrees or more of proof are withdrawn from tanks in the storage account the record of deposit need not be noted, but semi-annually (as of June 30 and December 31) the proprietor shall remove from his consolidated files of active deposit records all such records in excess of those required to cover the quantity of spirits shown as remaining in tanks. The deposit records so removed shall be those covering spirits first deposited in the storage account.

(Sec. 807, Pub. L. 96-39 93 Stat. 284 (26 U.S.C. 5207))

§ 19.741 Package summary records.

(a) General.

Each warehouseman shall keep current summary records for each kind of spirits or wines in packages, to show the spirits or wines deposited in, withdrawn from,

and remaining in the storage account. Separate accounting records shall be kept for domestic spirits, imported spirits, Virgin Islands spirits, Puerto Rican spirits, and wine. Package accounts for spirits may be kept by either the season or the year the packages were filled with spirits.

(b) Arrangement.

Package summary records shall be prepared and arranged separately:

(1) For domestic spirits of less than 190 degrees of proof, alphabetically by State and numerically by the plant number and name of the producer or warehouseman.

(2) For domestic spirits of 190 degrees or more of proof, alphabetically by State, and numerically by the plant number and name of the warehouseman.

(3) For imported spirits, alphabetically by State and numerically by the plant number and name of the warehouseman who received the spirits from customs custody.

(4) For Puerto Rican or Virgin Islands spirits, alphabetically by the name of the producer in Puerto Rico or the Virgin Islands.

(5) For wine, by kind and tax rate imposed by 26 U.S.C. 5041.

(c) Details.

Package summary records shall show the following details:

- (1) The date the summarized transactions occurred;
- (2) For spirits, the number of packages and the proof gallons contained therein;
- (3) For wine, the number of packages and the wine gallons contained therein;
- (4) Gains or shortages disclosed by inventory or when an account is closed; and
- (5) Gallon balances on summary records for spirits and wines remaining in the account at the end of each month.

(d) Summarization.

Package summary records shall be consolidated at the end of each month, or for lesser periods when required by the appropriate TTB officer, to show for all types of containers and kinds of spirits, the total proof gallons received in, withdrawn from, and remaining in the storage account.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

§ 19.742 Tank record of wine or spirits of less than 190 degrees of proof.

(a) General.

Proprietors shall keep a record for each tank (including bulk conveyance) containing wine or spirits of less than 190 degrees of proof to show deposits into, withdrawals from, and the balance remaining in each tank in the storage account. A new record shall be prepared each time wine or spirits are deposited in an empty tank. Except as otherwise provided in this section, each transaction shall be recorded on the day the transaction occurs.

(b) Arrangement.

Tank records shall be prepared and arranged:

(1) For domestic spirits, alphabetically by State, and numerically by (i) the plant number and name of the producer, or, (ii) for blended rums or brandies, the plant number and name of the warehouseman;

(2) For imported spirits, alphabetically by State, and numerically by the plant number and name of the warehouseman;

(3) For Puerto Rican or Virgin Islands spirits, alphabetically by the name of the producer in Puerto Rico or the Virgin Islands; and

(4) For wine, by kind and tax rate imposed by 26 U.S.C. 5041.

(c) Details.

Tank records shall show the following details:

(1) Tank record serial number, beginning with "1" for each record initiated on or after January 1;

(2) Date of each transaction;

(3) Identification of the tank;

(4) Kind of wine or spirits;

(5) Number and average proof gallon content of packages of spirits dumped in the tank, or a notation indicating the deposit in the tank of spirits by pipeline;

(6) Wine gallons of wine, or proof gallons of spirits deposited;

(7) If subject to age, the age of the youngest spirits in years, months and days, each time spirits are deposited;

(8) Wine gallons of wine, or proof gallons of spirits withdrawn;

(9) Related transaction form or record and its serial number for deposits or withdrawals;

(10) Wine gallons of wine, or proof gallons of spirits remaining in the tank, recorded at the end of each calendar month; and

(11) Gain or loss disclosed by inventory or on emptying of the tank.

Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

§ 19.743 Tank summary record for spirits of 190 degrees or more of proof.

(a) General.

Proprietors shall keep a tank summary record for spirits of 190 degrees or more of proof held in tanks to show the proof gallons deposited into, withdrawn from, and remaining in tanks in the storage account. A separate tank summary record shall be prepared for each kind of spirits of 190 degrees or more of proof. Entries shall be made for each day in which a transaction occurs, and shall be recorded as a summary of the individual transactions shown on the deposit records.

(b) Arrangement.

Tank summary records shall be prepared and arranged:

- (1) For domestic spirits, alphabetically by State, and numerically by the plant number and name of the warehouseman;
- (2) For imported spirits, alphabetically by State, and numerically by the plant number of the warehouseman who received the spirits from customs custody; and
- (3) For spirits from Puerto Rico or the Virgin Islands, alphabetically by the name of the producer in Puerto Rico or the Virgin Islands.

(c) Details.

Tank summary records shall show the following details:

- (1) Kind of spirits;
- (2) Date of transactions summarized;
- (3) Proof gallons deposited;
- (4) Proof gallons withdrawn;
- (5) Proof gallons remaining in tanks; and
- (6) Gain or loss disclosed by inventory or on emptying of the tanks summarized on the record.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

§ 19.792 Reports.

(a) Reports required by this section shall be prepared as of the end of the applicable reporting period. The original shall be submitted to the appropriate TTB officer and a copy retained by the proprietor.

(b) Proprietors shall submit the following summary reports of their operations:

Title	Form No.	Reporting period
(1) Production report	5110.40	Monthly.
(2) Storage report	5110.11	Do.
(3) Processing reports		
(i) Manufacturing/bottling	5110.28	Do.
(ii) Denaturation (including articles).	5110.43	Do.

(c) All reports required by this part shall be prepared and submitted to the appropriate TTB officer not later than the 15th day of the month following the close of the reporting period.

(Approved by the Office of Management and Budget under control number 1513-0041)

(Sec. 807, Pub. L. 96-39, 98 Stat. 284 (26 U.S.C. 5207))

[T.D. TTB-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. TTB-206, 50 FR 23953, June 7, 1985]